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(10)

## Missile Sanctions and Satellites for China Launch

### Background

In August 1993, the United States imposed missile proliferation sanctions on China for the transfer of missile-related items to Pakistan. The sanctions prohibit the export of all Missile Technology Control Regime (MTCR) Annex goods and technology for up to two years to the sanctioned PRC entities. (U)

(b) (1)  
Sec. 1.3(a)(5)

Although satellites are not on the MTCR list, they typically contain MTCR items. Certain commercial communications satellites are licensed by Commerce and others are licensed by State. The Administration has decided that satellites under Commerce jurisdiction are not subject to the missile proliferation sanctions, and may be approved. Satellites under State Department jurisdiction remain subject to the missile sanctions law and license applications still will be denied. (U)

### Talking Points (C)

- o The United States is very concerned with missile proliferation and the August 1993 missile sanctions under U.S. law remain in place. (U)

(b)(3)  
12(c)

(b)(3)  
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(b) (1)  
Sec. 1.3(a)(5)

(b) (1)  
Sec. 1.3(a)(5)

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For other calls

- o The MTCR Category II sanctions on China require denial of pending or new export license applications for Missile Technology Control Regime (MTCR) Annex items, ~~both munitions and dual-use items~~, for the sanctioned entities for two years.
- o Satellites are not on the MTCR Annex but they do typically contain components on the MTCR list.
- o The President has approved an approach that allows Commerce and State to implement the MTCR sanctions based on each agency's historical licensing practices.
- o In 1992 jurisdiction over certain commercial communication satellites was transferred to Commerce. Commerce reviews export license applications based on the commodity classification of the end-product. Although most satellites contain MTCR items, the components are incorporated and covered under the satellite license.
- o The President's decision means that satellites under Commerce jurisdiction are not covered by the sanctions, which allows us to resume the review of export license applications of satellites to be launched from China.
- o All U.S.-origin satellite exports to China are still captured under the 1991 Tiananmen Square sanctions and require a Presidential waiver to receive an export license.